

400 Texas Street, Suite 1400 Shreveport, LA 71101

Firm: 318.221.6858 Fax: 318.227.2967 Web: www.bwor.com

Mailing Address:

P.O. Drawer 1126 Shreveport, LA 71163-1126

September 21, 2006

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217 Email: tallen@bwor.com

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Formation, Reservoir A
HOSS RA SU4, CV RA SU 4 and LCV RA SUU
HOSS RA SU2, CV RA SU 2 and LCV RA SUW
HOSS RA SU1, CV RA SU 1 and LCV RA SUX

Elm Grove Field

Bossier Parish, Louisiana

Our File No. 430071.0077

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cotton Valley Formation, Hosston Formation, and the Lower Cotton Valley Formation, Reservoirs A, in the Elm Grove Field, Bossier Parish, Louisiana:

- 1. To permit the applicant to drill, designate and utilize six (6) additional alternate unit wells for HOSS RA SU4, CV RA SU 4 and LCV RA SUU, at the locations shown on the plats attached hereto;
- To permit the applicant to drill, designate and utilize four (4) additional alternate unit wells for HOSS RA SU2, CV RA SU 2 and LCV RA SUW, at the locations shown on the plats attached hereto:
- 3. To permit the applicant to drill, designate and utilize three (3) additional alternate unit wells for HOSS RA SU1, CV RA SU 1 and LCV RA SUX, at the locations shown on the plats attached hereto;
- 4. To grant such exceptions to the well spacing provisions of Order No. 361-A-1, effective October 1, 1972, Order No. 361-B, effective October 1, 1973, and Order No. 361-E, effective July 16, 1996, as may be necessary with respect to the proposed alternate unit wells:
- To explicitly find that the proposed alternate unit wells are necessary to drain a portion of the Cotton Valley Formation, Hosston Formation, and the Lower Cotton Valley Formation, Reservoirs A, in the Elm Grove Field underlying HOSS RA SU4, HOSS RA SU2, HOSS RA SU1, CV RA SU 4, CV RA SU 2, CV RA SU 1, LCV RA SUU, LCV RA SUW, and LCV RA SUX, respectively, which cannot be efficiently and economically drained by any existing well in such units.
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective October 1, 1973, and was further defined in subsequent Orders of the 361-B Series.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-A-1, effective October 1, 1972, and was further defined in subsequent Orders of the 361-A Series.

The Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully redefined in Office of Conservation Order No. 361-E-99, effective May 20, 2003, insofar as to LCV RA SUU, LCV RA SUW and LCV RA SUX.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plats, are being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$6,795.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kml Enclosures

CC:

Wm. Timothy Allen III
Attorneys for Questar Exploration and Production Company

Mr. James C. Broussard, Shreveport District Manager, Office of Conservation (w/enclosures)

Interested Owners, Represented Parties and Interested Parties (w/copy of plats only)

OUESTAR EXPLORATION AND PRODUCTION COMPANY

ELM GROVE FIELD

BOSSIER PARISH, LOUISIANA

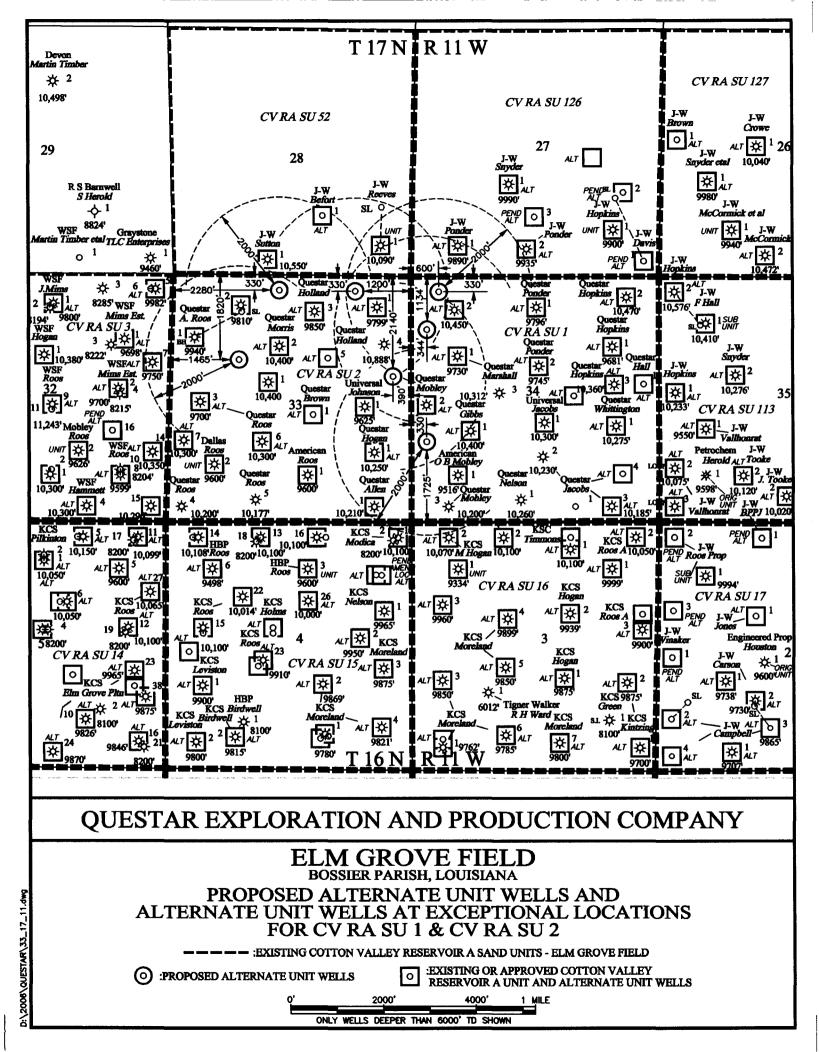
PROPOSED ALTERNATE UNIT WELLS AND ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATIONS FOR LCV RA SU W & LCV RA SU X

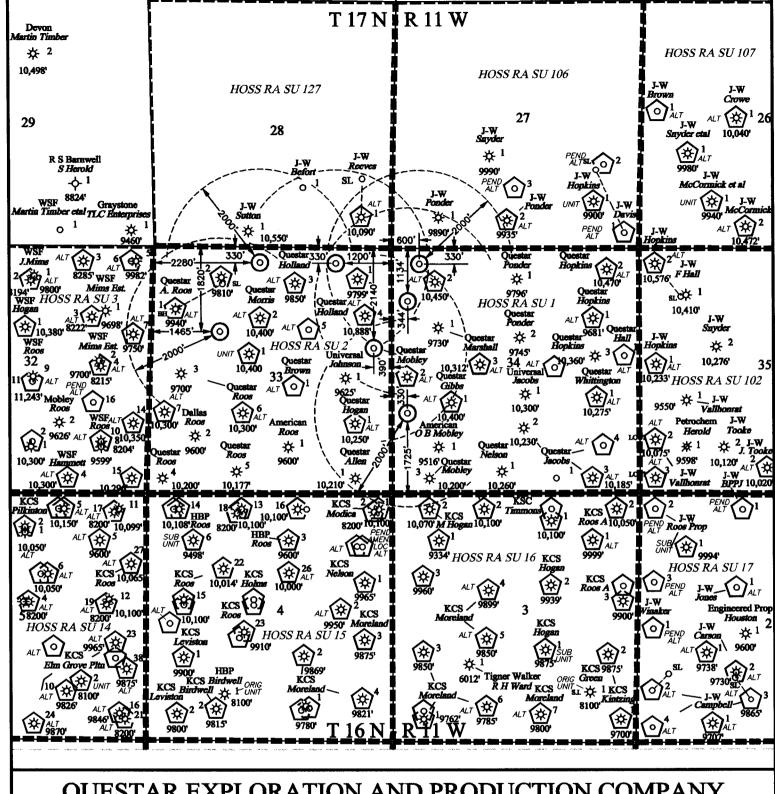
EXISTING LOWER COTTON VALLEY RESERVOIR A SAND UNITS - ELM GROVE FIELD

(O) :PROPOSED ALTERNATE UNIT WELLS

EXISTING OR APPROVED LOWER COTTON VALLEY RESERVOIR A UNIT AND ALTERNATE UNIT WELLS

ONLY WELLS DEEPER THAN 6000' TO SHOWN





QUESTAR EXPLORATION AND PRODUCTION COMPANY

ELM GROVE FIELD

BOSSIER PARISH, LOUISIANA

PROPOSED AL WELLS AND ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATIONS FOR HOSS RA SU 1 & HOSS RA SU 2

EXISTING HOSSTON RESERVOIR A SAND UNITS - ELM GROVE FIELD

(O) :PROPOSED ALTERNATE UNIT WELLS

EXISTING OR APPROVED HOSSTON RESERVOIR A UNIT AND ALTERNATE UNIT WELLS

2000 ONLY WELLS DEEPER THAN 6000' TO SHOWN

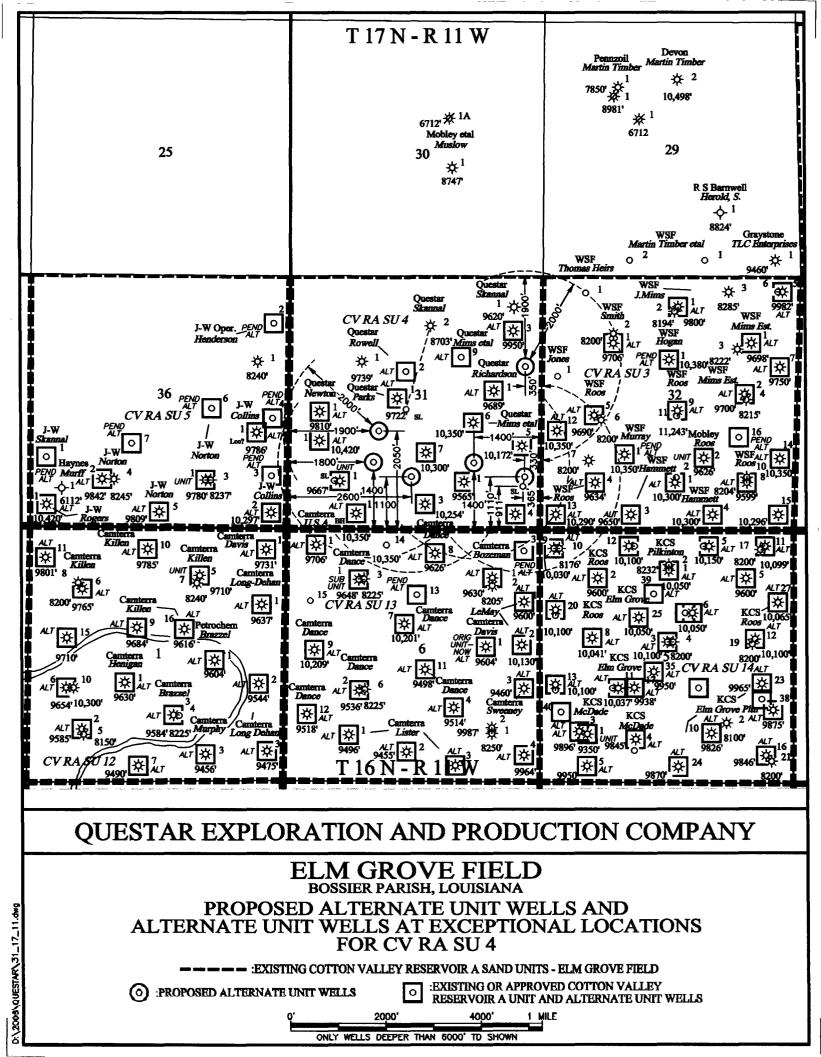
PROPOSED ALTERNATE UNIT WELLS AND ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATIONS FOR LCV RA SU U

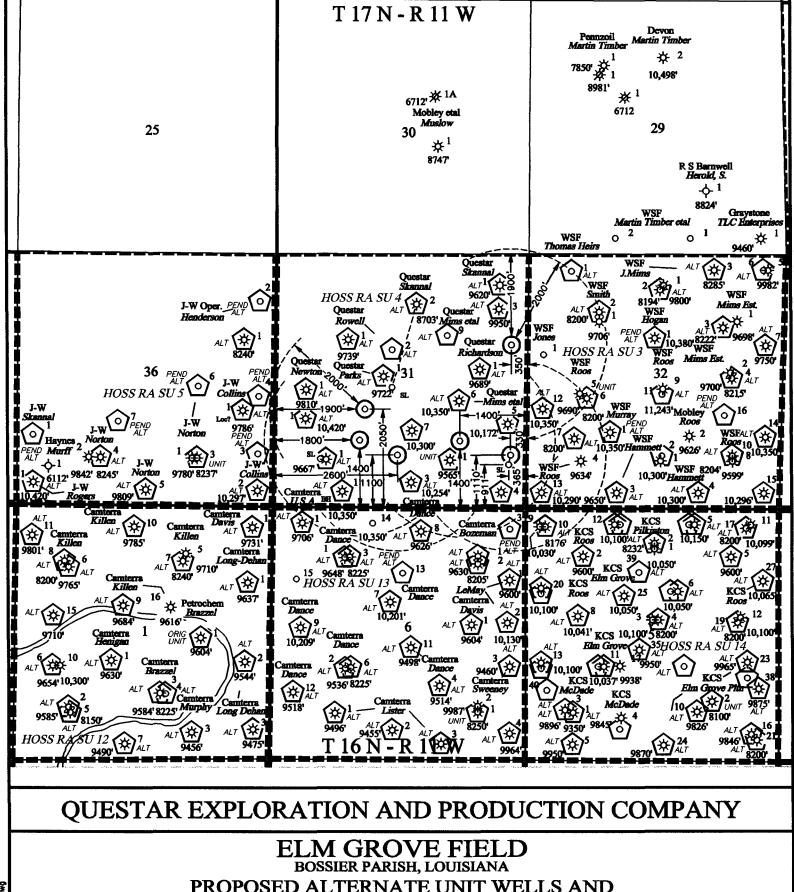
EXISTING LOWER COTTON VALLEY RESERVOIR A SAND UNITS - ELM GROVE FIELD

:PROPOSED ALTERNATE UNIT WELLS

:EXISTING OR APPROVED LOWER COTTON VALLEY
 RESERVOIR A UNIT AND ALTERNATE UNIT WELLS

O' 2000' 4000' 1 MILE ONLY WELLS DEEPER THAN 6000' TD SHOWN





PROPOSED ALTERNATE UNIT WELLS AND ALTERNATE UNIT WELLS AT EXCEPTIONAL LOCATIONS FOR HOSS RA SU 4

EXISTING HOSSTON RESERVOIR A SAND UNITS - ELM GROVE FIELD

:PROPOSED ALTERNATE UNIT WELLS

EXISTING OR APPROVED HOSSTON RESERVOIR A UNIT AND ALTERNATE UNIT WELLS

O' 2000' 4000' 1 MILE
ONLY WELLS DEEPER THAN 6000' TD SHOWN